

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	120,915		70,056	
CASH FUNDS		3,500	3,500	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	120,915	3,500	73,556	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 465 is the Electronic Notary Public Act.

Section 2 provides definitions for the Act.

Section 3 through 5 establish criteria under which a person shall be eligible to register as an electronic notary public.

Section 6 requires a fifty dollar fee for registering or reregistering as an electronic notary. This fee is in addition to the fee required in section 33-102. The fees shall be remitted and credited to the Administration Cash Fund and used to administer the Act.

The Secretary of State would need to enact application programming to add eNotary registration to their current database. In addition, the Secretary of State would need to add 1.0 FTE to administer the program. This position will design, set up and oversee the program application development, processes and requirements, draft and promulgate rules and regulations, provide ongoing educational materials and training.

The Secretary of State estimates the cost of such activity to be \$120,915 in fiscal year 2015-16 and \$73,556 thereafter. There is no basis to disagree with these estimates. Revenue for the first year are estimated to be \$3,500. Renewals occur every 4 years, therefore additional revenue wouldn't be realized until fiscal year 2019-20. Revenue is based on a projected 50 applicants and 50 Certificates of Authority. The bill's provisions allow for this revenue to be applied toward program costs. Since the revenue would be realized in fiscal year 2015-16, \$3,500 of Cash Funds are being applied to expenditure costs in fiscal year 2016-17.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 465	AM:	AGENCY/POLT. SUB: Secretary of State	
REVIEWED BY: Robin Kilgore		DATE: 2-17-15	PHONE: 471-4180
COMMENTS: No basis to disagree with agency's estimate of fiscal impact.			

Please complete ALL (5) blanks in the first three lines.

2015

LB⁽¹⁾ 465

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Secretary of State

Prepared by: ⁽³⁾ Suzanne Hinzman Date Prepared: ⁽⁴⁾ 2/13/2015 Phone: ⁽⁵⁾ 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2015-16		FY 2016-17	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>120,915</u>	<u></u>	<u>73,556</u>	<u></u>
CASH FUNDS	<u></u>	<u>3,500</u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u><u>120,915</u></u>	<u><u>0</u></u>	<u><u>73,556</u></u>	<u><u>0</u></u>

Explanation of Estimate:

LB465 creates an Electronic Notary Public Act that will allow commissioned Notaries Public to register and be commissioned as Electronic Notaries Public in order to perform electronic notarial acts. The Act requires the use of electronic technology, has educational requirements, and requires the signer to be in the physical presence of the notary at the time the electronic notarial act is performed. The fee for registration is \$50 and the commission will match the current notary commission renewal term. The Secretary of State may charge \$20 for issuing an electronic certificate of authority.

Fiscal Impact:

There will be application programming costs to add eNotary registration to our current Notary database necessary to administer the program, track eNotary applications, track education requirements, track technology vendors and provide eNotary commission data and statistics as necessary for administering the program, to provide commission certificates and to match commission expiration dates with current the Notary commission term. The eNotary will also create additional database access and usage fees on an annual basis and are included in our fiscal note.

In order to implement and administer this program we will need one additional staff person devoted specifically to eNotary, as seen in other states have which have implemented the program. The Program Specialist will design, set up and oversee the program application development, processes and requirements, draft and promulgate rules and regulations, provide ongoing education materials and training to meet statutory requirements, work with the OCIO technology developers to define and set up programming application for eNotary registration within the current notary database, answer questions of applicants and run the program. This person will also create and maintain website materials. It is anticipated that this position will also be the liaison for associated vendors that provide eNotary technology for administration of the program.

Breakdown of fiscal costs are:

Cost Estimates to Implement Electronic Notary	
<i>Notary System Upgrade</i>	
Application programming*	45,643
OBIEE (ongoing additional annual estimated costs for application)**	3,000
Subtotal System	48,643

Personnel and Associated Costs	
Program Specialist **	45,000
Benefits **	22,500
Phone & Computer Lines **	516
Annual software licensing and computer support via OCIO **	790
Computer + monitor + printer + set up*	1,716
Supplies and Training Materials **	750
Travel **	1,000
<i>Subtotal Personnel and associated costs</i>	72,272
One-time costs*	47,359
Additional Annual Costs **	73,556
Total of costs	120,915

Estimated Income From New Legislation	
Estimate 50 Registrants	2,500
Estimate 50 Certificate of Authority's Issued	1,000
Total Estimate of New Income (For first year of implementation)	3,500

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16 EXPENDITURES</u>	<u>2016-17 EXPENDITURES</u>
	<u>15-16</u>	<u>16-17</u>		
See Table				
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			120,915	73,556